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Prepared By _____

Approved By _____

An act to amend Sections 19970, 100010, 100115, and 100125 of the Education Code, to repeal Sections 14669.13 and 15819.05 of the Government Code, to amend Sections 5096.255 and 5930 of the Public Resources Code, to amend Section 13860 of the Water Code, to amend Section 17645.40 of the 1992 School Facilities Bond Act, to amend Section 17660.40 of the 1990 School Facilities Bond Act, and to amend Section 17698.20 of the 1988 School Facilities Bond Act, relating to bonded indebtedness, and making an appropriation therefor, to take effect immediately, bill related to the budget.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 19970 of the Education Code is amended to read:

19970. Bonds in the total amount of ~~seventy-five~~ seventy-two million four hundred five thousand dollars (~~\$75,000,000~~) (\$72,405,000) (exclusive of refunding bonds), or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

SEC. 2. Section 100010 of the Education Code is amended to read:

100010. ~~(a) Two~~ An amount of up to two billion twenty-five million dollars (\$2,025,000,000) of the proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the State School Building Lease-Purchase Fund.

SEC. 3. Section 100115 of the Education Code is amended to read:

100115. ~~Nine~~ An amount of up to nine hundred seventy-five million dollars (\$975,000,000) of the proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1996 Higher Education Capital Outlay Bond Fund, which is hereby created.

SEC. 4. Section 100125 of the Education Code is amended to read:

100125. (a) Bonds in the total amount of ~~three two billion~~ nine hundred eighty-seven million thirty-five thousand dollars (~~\$3,000,000,000~~) (\$2,987,035,000),

not including the amount of any refunding bonds issued in accordance with Section 100175, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee created pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

SEC. 5. Section 14669.13 of the Government Code is repealed.

~~14669.13. (a) The Director of General Services may enter into an agreement to lease-purchase finance or lease with an option to purchase, with an initial option purchase price that exceeds two million dollars (\$2,000,000), for the purpose of providing approximately 230,000 net square feet of office, warehouse, parking, and related facilities to consolidate the operations of state agencies in Long Beach. The acquisition of any real property by lease, lease-purchase, or lease with an option to purchase as provided in this subdivision shall be made in accordance with the bidding procedures described in subdivision (b) of Section 14669.~~

~~(b) The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800)) to finance the acquisition of the~~

facilities authorized in subdivision (a). The board may borrow funds for project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313.

(1) ~~The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the cost of acquisition, including land, construction, preliminary plans, and working drawings, construction management and supervision, other costs relating to the design and construction of the facilities, exercise of any purchase option, and any additional sums necessary to pay interim and permanent financing costs. The additional amount may include interest and a reasonable required reserve fund.~~

(2) ~~Authorized costs of the facilities, including land acquisition, preliminary plans, working drawings and construction shall not exceed seventy-five million dollars (\$75,000,000).~~

(3) ~~Notwithstanding Section 13332.11, the State Public Works Board may authorize the augmentation of the amount authorized pursuant to this subdivision by up to 10 percent of the amount specifically authorized.~~

(c) ~~The net present value of the cost to acquire and operate the facilities authorized in subdivision (a) may not exceed the net present value of the cost to lease and operate an equivalent amount of office space, including the present facilities, over the same time period. In performing this analysis, interest rates, discount rates, and the consumer price index figures shall be obtained from the Treasurer.~~

(d) ~~The Director of General Services may sell, lease, or exchange, based on current market value and upon any terms and conditions, and with any reservations and exceptions, deemed by the director to be in the state's best interest, the existing~~

~~state office and parking facilities located at 245 West Broadway Street in the City of Long Beach. The net proceeds, if any, from the sale, lease, or exchange shall be applied toward any obligations undertaken by the director in securing consolidated facilities as authorized by this section.~~

~~(e) The director shall not enter into any agreement to acquire facilities, as specified in subdivision (a), any sooner than 45 days after notification, including the information specified in subdivision (c), to the Chairperson of the Joint Legislative Budget Committee.~~

SEC. 6. Section 15819.05 of the Government Code is repealed.

~~15819.05. (a) The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of this part to finance the acquisition of the facilities specified in Sections 14016 and 14669.9.~~

~~(b) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the cost of acquisition, including land, construction, preliminary plans and working drawings, construction management and supervision, other costs relating to the design and construction of the facilities, exercise of any purchase option, and any additional sums necessary to pay interim and permanent financing costs. The additional amount may include interest and a reasonable required reserve fund.~~

~~(c) Authorized costs of the facilities, including land acquisition, preliminary plans, working drawings and construction shall not exceed one hundred and seventy-five million dollars (\$175,000,000).~~

~~(d) The State Public Works Board may authorize the augmentation of the amount authorized by this section subject to the limitations specified in Section 13332.11.~~

~~(e) Notwithstanding Section 13340 of the Government Code, funds derived from the interim and permanent financing or refinancing of the facilities specified in Sections 14016 and 14669.9 are hereby continuously appropriated without regard to fiscal year for these purposes.~~

SEC. 7. Section 5096.255 of the Public Resources Code is amended to read:

5096.255. Bonds in the total amount of three hundred ~~seventy~~ sixty-eight million nine hundred thousand dollars ~~(\$370,000,000) (\$368,900,000)~~, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest on the bonds as the principal and interest become due and payable.

SEC. 8. Section 5930 of the Public Resources Code is amended to read:

5930. ~~(a)(1)~~ Bonds in the total amount of seven hundred ~~seventy-six~~ sixty-eight million six hundred seventy thousand dollars ~~(\$776,000,000) (\$768,670,000)~~, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes expressed in this division and in Chapter 7.5 (commencing with Section 2700) of Division 3 of the Fish and Game Code and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the

Government Code. A sum, not to exceed seven hundred twenty-six million dollars (\$726,000,000) of the bond proceeds, shall be deposited in the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the purposes of this division, and a sum, not to exceed fifty million dollars (\$50,000,000) of bond proceeds, shall be deposited in the Wildlife and Natural Areas Conservation Fund for the purposes of the Wildlife and Natural Areas Conservation Program (Chapter 7.5 (commencing with Section 2700) of Division 3 of the Fish and Game Code). The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest as they become due and payable.

SEC. 9. Section 13860 of the Water Code is amended to read:

13860. The committee is hereby empowered to create a debt or debts, liability or liabilities, of the State of California, in an aggregate amount of one hundred ~~seventy-five~~ seventy-two million five hundred thousand dollars ~~(\$175,000,000)~~ (\$172,500,000) in the manner provided in this chapter. ~~Such~~ This debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the objects and works specified in Section 13861.

SEC. 10. Section 17645.40 of the 1992 School Facilities Bond Act (Section 34 of Chapter 552 of the Statutes of 1995) is amended to read:

17645.40. Bonds in the total amount of ~~nine~~ eight hundred ninety-eight million two hundred eleven thousand dollars ~~(\$900,000,000)~~ (\$898,211,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used

to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

SEC. 11. Section 17660.40 of the 1990 School Facilities Bond Act (Section 34 of Chapter 552 of the Statutes of 1995) is amended to read:

17660.40. Bonds in the total amount of eight seven hundred ninety-seven million eight hundred seventy-five thousand dollars ~~(\$800,000,000)~~ (\$797,875,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide funds to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

SEC. 12. Section 17698.20 of the 1988 School Facilities Bond Act (Section 34 of Chapter 552 of the Statutes of 1995) is amended to read:

17698.20. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter ~~22~~ 12 (commencing with Section ~~17700~~) 17000) of Part 10 of Division 1 of Title 1 of the Education Code), the purposes authorized under Section ~~16955.17~~ 17698.96 of this act, and of all acts amendatory thereof and

supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the state, in the aggregate amount of eight ~~seven~~ hundred ~~ninety-seven~~ million ~~seven hundred forty-five thousand~~ dollars (\$800,000,000) ~~(\$797,745,000)~~, not including the amount of any refunding bonds issued in accordance with Section ~~16955.15~~ 17698.93 of this act, in the manner provided herein, but not in excess thereof.

SEC. 13. The sum of one thousand dollars (\$1,000) is hereby appropriated from the General Fund to the Treasurer's office for administrative costs associated with this act.

SEC. 14. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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Prepared By _____

Approved By _____

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Bonded indebtedness.

(1) An existing provision of the California Constitution authorizes the Legislature, at any time after the approval by the voters of a law authorizing the issuance of bonded indebtedness, to reduce the amount of the indebtedness authorized by the law to an amount not less than the amount contracted at the time of the reduction.

This bill would reduce, by prescribed amounts, the amount of bonded indebtedness authorized in the California Library Construction and Renovation Bond Act of 1988, the Public Education Facilities Bond Act of 1996, the California Park and Recreational Facilities Act of 1984, the California Wildlife, Coastal, and Park Land Conservation Act of 1988, the California Safe Drinking Water Bond Law of 1976, the 1992 School Facilities Bond Act, the 1990 School Facilities Bond Act, and the 1988 School Facilities Bond Act.

(2) Existing law authorizes the Director of General Services to enter into an agreement to lease-purchase finance or lease with an option to purchase, with an initial option purchase price that exceeds \$2,000,000, for the purpose of providing a specified amount of square footage of office, warehouse, parking, and related facilities to consolidate the operations of state agencies in Long Beach. Existing law authorizes the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance the acquisition of these facilities.

This bill would delete this provision.

(3) Existing law authorizes the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance specified facilities pursuant to a Riverside/San Bernardino Regional Facilities Study.

This bill would delete this provision.

(4) This bill would appropriate \$1,000 from the General Fund to the Treasurer's office for administrative costs associated with the bill.

(5) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.